Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the Matter of Implementation of the Pay Telephone Reclassification and Compensation Provisions of the Telecommunications Act of 1996	CC Docket No. 96-128

AT&T Corp. Opposition to Petitions for Waiver

Pursuant to the Common Carrier Bureau's Public Notice (DA 97-2214), AT&T Corp. ("AT&T") hereby opposes the requests for waiver filed by the United States Telephone Association ("USTA"), TDS Communications Corporation ("TDS") and the LEC ANI Coalition ("Coalition").[1] The purported factual basis for the requested waiver of the Commission's rules regarding the delivery of ANI identification digits has been completely undermined by information recently provided by USTA and several Coalition members, particularly BellSouth.

USTA now acknowledges that the costs of equipping LEC switches to provide Flex ANI are significantly less than

[1] AT&T previously filed an opposition to the USTA and TDS petitions on October 7, 1997 ("AT&T October 7 Opposition"), which will be included in the record herein (Notice (n.13)). This opposition addresses the Coalition's waiver petition and additional information recently placed in the record regarding the USTA waiver.

originally estimated.[2] Indeed, in response to data provided on the record by MCI,[3] USTA now estimates that the cost of modifying all equal access switches to provide Flex ANI is only $61.2 million.[4] Moreover, USTA acknowledges that the cost of upgrading all LEC switches to provide Flex ANI is $311.4 million, $212 million of which represents the cost of replacing existing electromechanical non-equal access switches.[5] These "revised" figures, which are based on data that were available to USTA at all times, foreclose any

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[2] *Ex parte* letter from Keith Townsend, USTA to John Muleta, FCC, dated October 24, 1997. This letter provides revised information on two possible scenarios: implementing Flex ANI in LEC central offices and "hard coding" specific payphone ANI digits in LEC switches. The latter analysis (which is also reduced by over $600 million) is irrelevant, because it is more costly than the Flex ANI solution and because no carrier now requests this option.

[3] Letter from Mary Sisak, MCI, to Michael K. Kellogg, counsel for the LEC ANI Coalition, dated September 30, 1997. MCI's information was not referenced in the *Second Report and Order*.

[4] This amount should be compared to the more than $20 million AT&T alone has spent to build systems required to implement the Commission's per-call compensation scheme, and the $16-22 million in additional expense that would be required for AT&T to interconnect with LEC LIDBs to receive OLNS information (AT&T October 7, 1997 Comments, pp. 3, 6).

[5] The *Second Report and Order* (¶ 37), relying on the original USTA data, assumed that $600 million in LEC costs should be assigned to the delivery of ANI coding digits and charged all of that amount to carriers in calculating the per-call compensation rate. Accordingly, there is no basis to grant any LEC waiver request that would force carriers to spend significant additional amounts to interconnect with LEC LIDB databases. LECs must be required to deliver specific payphone coding digits through the use of Flex ANI.

claim that it would be prohibitively expensive for LECs to implement the Flex ANI capabilities needed to comply with the Commission's rules, especially for equal access end offices.[6]

BellSouth's remarkable turnaround on Flex ANI implementation also shows that there is no reason to extend the current waiver beyond March 9. As late as August of this year, BellSouth was adamant that it would not make Flex ANI available.[7] However, by the end of September, BellSouth was able to modify its position and report that it would be able to convert all of its end offices to Flex ANI by March 1, 1998.[8] There is no reason to tolerate any additional delay in Flex ANI implementation from any LEC, particularly for equal access offices.

Conclusion

For the reasons stated herein and in AT&T's October 7 Opposition, there is no reason to extend the Bureau's sua sponte waiver beyond March 9. Except for the limited waiver

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6 Although the recent data from USTA raise doubt whether any additional relief is required by LECs, AT&T does not oppose the limited waiver described at pp. 7-8 of the AT&T October 7 Opposition.

7 See attachment to ex parte letter from Robert H. Castellano, AT&T, to William F. Caton, FCC, CC Docket No. 96-128, dated August 13, 1997.

8 Letter from Ben Almond, BellSouth, to John Muleta, FCC, CC Docket No. 96-128, dated September 30, 1997.

described by AT&T, all LECs should be required to provide Flex ANI as of that date.

Moreover, as shown in AT&T's October 14 letter,[9] the Bureau's sua sponte waiver harms AT&T in two ways. First, the waiver prevents AT&T from implementing its capability to block calls from payphones, which is the principal rationale for the Commission's decision to apply a market-based compensation scheme. Second, it would require AT&T to develop a separate support system for payphone compensation, which would require significant additional expense and cannot be completed before the time when compensation payments for the waiver period would be due. Accordingly, the Bureau should modify its waiver to permit AT&T and similarly situated carriers to calculate and pay compensation on a per-phone basis for all payphones that do not deliver specific ANI coding digits.

Respectfully submitted,

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October 30, 1997

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[9] Letter from Elmer E. Estey, AT&T to John Muleta, FCC, CC Docket No. 96-128, dated October 14, 1997.

CERTIFICATE OF SERVICE

I, Rena Martens, do hereby certify that on this 30th day of October, 1997, a copy of the foregoing "AT&T Corp. Opposition to Petitions for Waiver" was served by U.S. first class mail, postage prepaid, to the parties listed below.

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